

0011

*\* Outgoing  
C/007/0045*

**From:** Karl Houskeeper  
**To:** grau@headwaters.com; OGMCOAL  
**CC:** Daron Haddock; Jim Smith; kedwards@headwaters.com; mgipson@headwaters...  
**Date:** 7/28/2008 3:33 PM  
**Subject:** Insurance Form Language/Sed. Pond Form  
**Place:** OGMCOAL  
**Attachments:** Sed. Pond Inspections.pdf; Insurance.pdf

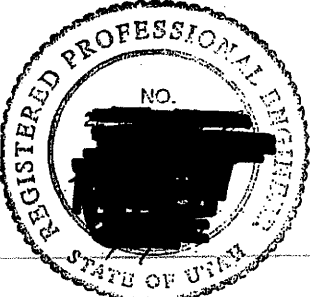
Gina,

Following the complete inspection of Covol C/007/0045 I have attached a couple of example insurance forms that contain the proper language required by the Division in the cancellation clause. The language "will endeavor to notify within 30 days" is unacceptable. The language should say "will notify within 45 days". Your immediate attention to correcting this form will avoid any future compliance action. As soon as the form is modified a copy should be forwarded to the Division.

In addition I have attached sample sediment pond inspection forms that show quarterly and annual inspections.

Please feel free to contact me with any questions.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		Page 1 of 1
Permit Number	[REDACTED]	Report Date: 6-27-2007
Mine Name	[REDACTED]	
Company Name	[REDACTED]	
Impoundment Identification	Impoundment Number	001
	UPDES Permit Number	[REDACTED]
<b>IMPOUNDMENT INSPECTION</b>		
Inspection Date	6-27-2007	
Inspected By	[REDACTED]	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly Inspection	
<p><b>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</b>            No signs of instability noted at this incised pond. There is no evidence of slumping in the pond or on the embankment. No hazardous conditions were noted.</p>		
Required for an impoundment which functions as a SEDIMENTATION POND.	<p><b>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</b>            60% Sediment Storage – 7566.9            100 % Sediment Storage – 7569.8            Estimated Sediment Elevation – 7561.2</p>	
	<p><b>3. Principle and emergency spillway elevations.</b>            Spillway Elevation - 7573.9 Feet</p>	
	<p><b>4. Field Information</b>            Some water in pond.            The pond was not discharging at the time of inspection. The inlets and outlet were stable. No instability was noted on the downstream embankment.</p>	

<b>IMPOUNDMENT INSPECTION AND CERTIFIED REPORT</b>		<b>Page 1 of 1</b>
Permit Number	[REDACTED]	Report Date: 9-17-2007
Line Name	[REDACTED]	
Company Name	[REDACTED]	
Impoundment Identification	Impoundment Number	001
	UPDES Permit Number	[REDACTED]
<b>IMPOUNDMENT INSPECTION</b>		
Inspection Date	6-27-2007	
Inspected By	[REDACTED]	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Quarterly Inspection and Annual
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No signs of instability noted at this incised pond. There is no evidence of slumping in the pond or on the embankment. No hazardous conditions were noted.</p>		
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.</p> <p>60% Sediment Storage – 7566.9          100 % Sediment Storage – 7569.8          Estimated Sediment Elevation – 7561.4</p>	
	<p>3. Principle and emergency spillway elevations.</p> <p>Spillway Elevation - 7573.9 Feet</p>	
	<p>4. Field Information</p> <p>Some water in pond.          The pond was not discharging at the time of inspection. The inlets and outlet were stable. No instability was noted on the downstream embankment.</p>	
		

MARSH

## CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER

PRODUCER

Marsh USA Inc.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

## COMPANIES AFFORDING COVERAGE

COMPANY

A ACE AMERICAN INSURANCE COMPANY

COMPANY

B

COMPANY

C

COMPANY

D

001950-state-GL8-07-08

Y

INSURED

## COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

10

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY		07/31/07	07/31/08	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	*****\$500,000 general aggregate			GENERAL AGGREGATE \$ * 500,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	****per location****			PRODUCTS - COMP/OP AGG \$ 500,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				PERSONAL & ADV INJURY \$ 300,000
	<input checked="" type="checkbox"/> Includes XCU				EACH OCCURRENCE \$ 300,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED EXP (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTH ER
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$
	OTHER				EL DISEASE-POLICY LIMIT \$
					EL DISEASE-EACH EMPLOYEE \$

## DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Blasting and use of explosives is not excluded under the policy.

## CERTIFICATE HOLDER

Utah Dept. Of Natural Resources  
Division of Oil, Gas and Mining  
1594 W. North Temple  
Suite 1210  
Salt Lake City, UT 84114-5801

## CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENTER BY MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN.

MARSH USA INC.

BY: Alfred A. Peterfeso

MM1(3/02)

VALID AS OF: 07/30/07

0053

RECEIVED

MAY 30 2008

**ACORD CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)  
5/28/2008

PRODUCER (724) 349-1300, Fax (724) 349-1446

chini Agency Inc

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Federal Insurance Company

INSURER B:

INSURER C:

INSURER D:

INSURER E:

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	37104410	06/01/2008	06/01/2009	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 10,000
	<input checked="" type="checkbox"/> Includes XCU				PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE \$ 3,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC				PRODUCTS - COM/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	HIRED AUTOS				AUTO ONLY - EA ACCIDENT \$
	NON-OWNED AUTOS				OTHER THAN EA ACC \$
	GARAGE LIABILITY				AUTO ONLY: AGG \$
	ANY AUTO				EACH OCCURRENCE \$
	EXCESS/UMBRELLA LIABILITY				AGGREGATE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				\$
	DEDUCTIBLE				\$
	RETENTION \$				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS: OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT \$
	If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$
	OTHER				E.L. DISEASE - POLICY LIMIT \$

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**

- Cancellation Clause revised as follows: Should any of the above described policies be changed and/or cancelled before the expiration date thereof, the issuing company will mail (certified) 45 days written notice to the certificate holder named to the left.

**CERTIFICATE HOLDER**

State of Utah Dept of Natural Resources  
Division of Oil, Gas & Mining/STE1210  
Attn: Pamela Grubaugh-Littig/Wayne Hedbe  
1594 W. N. Temple, Box 145801  
Salt Lake City, UT 84114-5801

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Karen Williams/KAREN

Karen Williams

ACORD 25 (2001/08)

INS025 (0108).08a

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